

The method adopted in France, when the territorial mandates were substituted for the *assignats*, was followed by Austria, which declared the reduction of existing issues to one-fifth of their original value and substituted redemption notes (*Einlösungsschcine*), which were called Viennese money. The decree of February 20, 1811, which put this reduction in force, was issued with the avowed purpose of arresting the fluctuations in the paper money, which were declared to be "so extremely pernicious, because they shatter private fortunes, fetter industry, derange all social relations, and give birth to distrust and jealousy."<sup>1</sup> The decree was despatched under seal to the officials in different parts of the Empire, to be opened at five o'clock in the morning on March 15, 1811, and the announcement was awaited by eager crowds who looked to the action of the Emperor to relieve the public distress. The majority, who held quantities of the paper, went away cursing the government for the decree. A few, who were believed to have had previous notice of its contents, had put their affairs in a shape which left them rich, as some of the purchasers of stock in the Mississippi Company of John Law had transformed it into real estate or exported the proceeds in coin while the stock was still selling at high figures. The government promised to limit the new issues of redemption paper to just enough to redeem the outstanding notes in the proposed ratio of one to five, which would be about 212,000,000 florins. The new notes were depreciated, however, from the first day of their issue and fell to fifty per cent, during the year, but rose to eighty-seven per cent, when the public began to believe that the quantity would not be increased. The suspension of new issues was only for a brief period and the necessities of the last Napoleonic wars forced the issues up to 638,900,000\* florins (\$319,000,000) in 1816.

The distrust and business paralysis caused by these repeated paper issues and the necessity of raising money to carry on the government led to the creation of the National

<sup>1</sup> Leroy-Beaulieu, II., 644.